

SOUTH EAST ENGLAND COUNCILS EXECUTIVE MEETING



Date: 1 December 2017

Subject: **SEEC activity report and updates**

Report of: Heather Bolton, Nick Woolfenden & Ian Mackie

Recommendations:

Discuss emerging work; consider SEEC 2018-19 subscriptions; note updates on recent work

Current and recent work to represent SEEC member interests covers the London Plan, wider housing & infrastructure pressures, South East evidence base and impacts of Brexit.

Items a) to e) are for member discussion. Items f) to i) are primarily for information.

a) **Budget 2017: South East implications & SEEC's same-day member briefing**

a.1 The Chancellor delivered his Budget on 22 November 2017. [SEEC's same-day member briefing](#) highlights key issues for South East councils. Today's meeting is an opportunity for the Executive to consider the implications and any SEEC follow up work required.

b) **London Plan: Launch of consultation, shaping SEEC's response and invitation to summit with London Mayor**

b.1 Following recent Wider South East Political Steering Group discussions and SEEC's follow-up [letter](#) to Deputy Mayor Jules Pipe, the Mayor's [London Plan 3-month public consultation](#) runs from today (1 December) until 2 March 2018. The consultation will be a key focus for member discussion at the **Wider South East Summit on 26 January 2018** at London City Hall, and this will help shape SEEC's consultation response. Following SEEC requests, London Mayor Sadiq Khan will open the Summit. [Summit places are limited, so please contact admin@secouncils.gov.uk](#) for more information and to register.

b.2 Other recent updates on the London plan include:

- GLA has updated London's expected housing need and supply assessments, which will be a key aspect of the London Plan review consultation. Latest GLA information is that London will need 66,000 homes per annum, and the Mayor thinks London has capacity to provide 65,000 homes per annum. **This leaves a 'gap' of 1,000 homes a year that London would not be able to provide itself.** This will all be subject to the London Plan consultation.
- We understand the Mayor's figures reflect current housing need methodologies, rather than DCLG's new proposed approach in its "Planning for the right homes in the right places" consultation. DCLG proposals could push up London's housing need figures if implemented by Government.
- To prepare for longer term contingencies, GLA says the Mayor intends to continue exploring opportunities to work with any 'willing partners' outside London who may want to help accommodate growth it cannot deliver within its boundaries.

c) **Draft SEEC data dashboard Winter 2017-18**

c.1 The draft 2-side summary of SEEC's Winter 2017-18 Data Dashboard is attached (see Annex). It provides evidence on key South East opportunities and challenges for members to raise with the Government/ key Ministers and local MPs, to help influence funding and policy decisions. It sets out:

- [The scale of issues facing the South East's public services](#) eg. the South East has the largest population (9.1m – including more than 805,000 over 75s) and continued growth raises major challenges for councils and care service funding.
- [South East potential for economic growth, but challenges to overcome](#) eg. the South East made the largest net contribution to Treasury (SEEC data shows a South East total of £154bn 2000/01-2015/16) and saw the 2nd largest net growth in homes (36,526 in 2016/17, according to recently updated data) but faces an infrastructure funding gap (£15.4bn by 2030) and a growing number of unemployment claimants over the last year (64,340 in September 2017, up 8% from September 2016). With greater local funding freedoms councils would be able to invest more to support economic growth and housing delivery.

We welcome comments on the draft dashboard before circulating it to members, key Ministers and MPs. Views on presenting recently updated housing data are invited – this shows the South East delivered most additional homes in 2014/15 & 2015/16 but,

despite significant increases, was 2nd to London in 2016/17. Also note we expect updates to official GVA data in December, and aim to include this in the final Dashboard. Please send comments to nickwoolfenden@secouncils.gov.uk by Monday 11 December.

d) SEEC subscriptions 2018-19

d.1 SEEC's constitution sets out that member subscriptions and the SEEC budget for the coming year should be discussed by the Executive at least three months before the financial year-end.

Subscriptions: Reflecting councils' funding pressures, SEEC has frozen member subscriptions since 2011. Given continuing pressures on councils and potential for a wider review as part of potential merger talks with SESL, it is recommended that the freeze continues in 2018-19. If the Executive agrees, SEEC's AGM in June 2018 will be asked to endorse subscriptions at:

- £1,705 per district
- Unitary councils pay £1,705 for each 50,000 population
- County councils multiply £1,705 by the number of districts in their county.

Budget: In 2017-18 SEEC is on schedule to meet its budget target of £293,277. To reflect significant financial uncertainty for 2018-19, the proposal is to reduce the budget by £18,000-£20,000 (6-7%) for next financial year. This will mitigate the impact of reduced subscription income from a small number of councils who are on notice of resignation. Between now and the end of the financial year SEEC secretariat will review options for achieving these savings, including a review of staffing, meeting & office costs and research spending.

e) Future SEEC-SESL working

e.1 A verbal update will be provided on progress towards establishing talks about a possible future merger between SEEC and SESL. Following a motion to SESL in June, SESL members set up a working group, due to report back to SESL today (1 December). The SESL group is expected to recommend establishment of a joint SEEC-SESL task group (4 councillors from each organisation) to consider options for the future. If this is the case, SEEC members will be asked to nominate 4 representatives to join the group.

f) Planning for the right homes in the right places: SEEC response to DCLG consultation

f.1 SEEC's [response](#) highlighted that there is some support for the *principle* of Government's national aim to build the "right homes in the right places" to help meet locally identified need. However, members are concerned by aspects of the consultation proposals which - if not addressed - could hinder councils' work to sustainably achieve this. Our response focused on 5 key areas **asking Government:**

- To review its proposed approach to housing need calculations**, given a number of unexpected results from the methodology compared to current assessed needs in the South East. Members have concerns over the results which include increases for many parts of the South East with current high growth levels but limited further capacity, and reductions in other parts of the South East which could undermine their local growth plans.
- For further actions to ensure permitted homes are built-out more quickly**, including more tools for councils to help tackle the South East's growing number of unimplemented permissions and unlock agreed housing plans.
- For more action to address the growing South East infrastructure funding gap**, to help deliver the transport, broadband/utilities and affordable homes needed to support sustainable communities.
- For clarity about how the new Statement of Common Ground**, intended to improve councils' cross-border planning, will work compared to the existing Duty to Co-operate.
- To work with councils on transition to implement new policies** once agreed, to avoid the unintended consequence of delaying progress on local plan development/delivery during a period of change.

g) South East Housing Delivery Network

g.1 Following member councils' requests earlier this year, SEEC has facilitated an officer network for councils delivering, or thinking about delivering, homes through housing companies or other vehicles. It aims to share experience, good practice and resources to help councils deliver more homes, and identify policy barriers where SEEC might influence Government:

- After an initial meeting in May, **a workshop was held on 1 November with 24 officers**. Wokingham BC shared its extensive delivery experience, and officers heard about how councils will benefit from the LGA's new housing advisers programme. The workshop also identified key Government policy changes which could help councils deliver more. These

included lifting the HRA borrowing cap, and ensuring there is enough retained funding to deliver 1 for 1 Right to Buy replacements. These were reflected in SEEC's response to DCLG's "Right homes in the right places" consultation, and we will consider these and other issues for future influencing work.

- The Network plans to meet again in spring 2018, and membership is open to all SEEC member councils. For more information see SEEC's [website](#) or contact nickwoolfenden@secouncils.gov.uk.

h) SEEC-SESPM joint input to Migration Advisory Committee on post-Brexit skills

- h.1 In a [joint response to Migration Advisory Committee consultation](#) on economic and social impacts of Brexit, SEEC and SESPM highlight the fact that EU nationals make up 7% of the South East workforce. A reduction in migrant workers could create skills gaps that damage the South East economy. The submission calls for council powers to tackle skills gaps via:
- Input to an expanded shortage occupations list that prioritises both high-skill and low-skill workers in key occupations/ sectors (for example ranging from engineering to care work).
 - Control of a single funding pot for skills and employment to ensure training and education are targeted to meet current and future local skills requirements.
 - Control of an all-age locally-responsive careers advice service.

i) SEEC media coverage on Brexit: Potential skills gaps in the MJ and border control priorities in LGA First

- i.1 Media articles by SEEC Chairman Cllr Nicolas Heslop have raised the profile of member concerns about the potential impact of a poorly managed Brexit.
- [Writing in Municipal Journal](#) (October 2017), he argued that to avert a skills crisis post-Brexit, councils need a direct role in influencing which skills are given precedence in any new system to prioritise incoming migrant workers. He also called for greater council control of skills, employment and careers funding.
 - [In LGA's First magazine](#) (November 2017), he called for upgraded border controls for passengers and freight in advance of Brexit. Action is needed to ensure that councils do not face extra burdens – eg more port health inspections – and that delays and congestion are avoided at international gateways such as Dover and the Channel Tunnel.